



COUNCIL AGENDA: 6-29-04

ITEM:

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Carl W. Mosher

SUBJECT: SEE BELOW

DATE: 6-7-04

Approved

Date

**SUBJECT: AGREEMENT WITH THE SANTA CLARA VALLEY WATER DISTRICT
FOR IMPLEMENTATION OF WATER CONSERVATION PROGRAMS
FOR 2004-2005**

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to sign the agreement with the Santa Clara Valley Water District (District) for cost sharing associated with implementation of water conservation programs in 2004-2005, under which the City will receive an amount not to exceed \$280,000 from the District and the District will be paid an amount not to exceed \$540,535 by the City, for a net cost to the City of \$260,535.

BACKGROUND

The City's Water Efficiency Program (WEP) promotes indoor water conservation to residents through education, to businesses through financial incentives, and through cost sharing agreements between the City and the District. Limiting flows to the San Jose/Santa Clara Water Pollution Control Plant (Plant) helps preserve salt-marsh habitat for two endangered species by reducing the volume of Plant discharge to San Francisco Bay; indoor conservation also protects water supply.

Hence, this agreement contributes to two desired outcomes for the Environmental and Utility Services core service area:

1. Healthy Streams, River, Marsh, and Bay
2. Safe, Reliable and Sufficient Water Supply

ANALYSIS

The recommended agreement continues the cooperative water conservation efforts established between the District and the City in earlier cost sharing agreements. Under this agreement the City will reimburse the District \$1.59 per gallon per day of flow reduction achieved through District implementation of the following District programs within the tributary area of the Plant: high efficiency washing machine replacement incentive programs for businesses and residents, ultra low flow toilet replacement programs for businesses, high efficiency toilet or dual flush toilet replacement incentives for residents, and the pre-rinse sprayer valve replacement program for restaurants and cafeterias. The reimbursement rate of \$1.59 per gallon per day will repay the District approximately half the cost of the incentives or equipment changes provided by the District's water conservation programs that result in established water savings per retrofit.

The District will also continue to receive reimbursement under the agreement on a \$25 per unit basis for the Water Wise House Call program, which helps residents make their homes more water efficient, (about a third of the District's implementation cost). The District will also be reimbursed \$5 per unit for water softener replacement incentives, medical equipment retrofits, urinal valve retrofits, and toilet retrofits providing dual flush or high efficiency toilets in the commercial, industrial, and institutional sector, as the District is making use of grant funding and is therefore offering the opportunity to share water conservation at a nominal rate. Some of these innovative approaches will provide savings factors in the future, following findings determined upon program completion.

This combination of reimbursement approaches, per gallon saved and per unit retrofit, will help promote programs with the greatest potential for water savings in a cost effective manner while still providing sufficient program flexibility to the District.

The agreement also continues the District reimbursement to the City for up to \$250,000 to cover one half the cost of rebates provided to businesses within the Plant's tributary area that use the Water Efficient Technology (WET) program to reduce flows.

The agreement also provides complete reimbursement from the District to the City for the City's Neighborhood Preservation Water Conservation Pilot Program for an amount not to exceed \$30,000. This City pilot program implemented will provide vouchers to low-income San Jose homeowners of up to \$1000, limited to \$1 per square-foot, to provide an incentive to use water conserving methods for improving yards using an alternative to turf. Encouraging the use of turf alternatives helps conserve water supply and reduces the potential for watershed pollution associated with the fertilizer, pesticide and herbicide use required for turf maintenance. Vouchers used by homeowners in this program are only redeemable for items listed on an Approved Landscape Materials list designed, in collaboration with the District, to provide a landscape that will conserve water. The brochure explaining the Neighborhood Preservation Water Conservation Pilot Program will be distributed by Code Enforcement to homeowner's whose

properties have been noticed for non-compliance with the City's Neighborhood Preservation ordinance. The City has agreements in place with stores to accept the vouchers.

PUBLIC OUTREACH

Public Outreach was not undertaken for this cost sharing agreement between the Santa Clara Valley Water District (District) and the City of San Jose. Past Cost Sharing agreements between the City and the District have contributed to the success of the City's efforts to limit flows to the Plant. The present, recommended agreement will continue to ensure this success.

COORDINATION

This agreement and memorandum have been coordinated with the City Attorney's Office, Risk Management, Planning, Building and Code Enforcement Department and the Budget Office and scheduled to be heard at the June 10, 2004 Treatment Plant Advisory Committee (TPAC) meeting.

COST IMPLICATIONS

The cost to the City of this cost-sharing agreement will not exceed \$540,535. Revenues will be up to \$280,000. Funding for this agreement is included in the Environmental Services Department Proposed 2004-2005 Operating Budget.

This recommendation meets the general principles of the Council approved budget strategy to protect vital core City services (Environmental Services: Protect Natural and Energy Resources).

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. for contract	2004-2005 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
513	0762	Non-Personal/ Equipment	100684	28,331,641	540,535	XI-63	N/A

HONORABLE MAYOR AND CITY COUNCIL

6-7-04

Subject: Agreement – SCVWD Implementation of Water Conservation Programs for 2004-2005

Page 4

CEQA

Not a project.

CARL W. MOSHER

Director, Environmental Services Department